GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2421
ANSWERED ON:15.03.2007
COMPETITION WITH LOW FARES AIRLINES
Saradgi Shri Iqbal Ahmed

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government`s keenness to prevent sickness in the aviation industry has asked companies to come up with a fresh proposal and detailed financial plans as the aviation industry is facing acute competition with low fares eroding profits of various airlines;

(b) if so, whether the Government is also planning to impose tough conditions on the entry of new airlines;

(c) if so, the details thereof;

(d) whether increase in the minimum paid-up capital has been implemented and clearances for business and fleet plans are also expected to be tightened; and

(e) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) to (e):- The Government has a laid down policy with regard to grant of No-objection certificate (NOC) to new airlines, which inter-alia stipulate the equity norms as well. This policy is reviewed from time to time depending on the growth and requirements of civil aviation sector.